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SUBJECT: Urbanized Western PRD: Losing Agricultural Land and Making It Look Easy

- 11. (U) Summary and comment: Although the loss of land, through sales, eminent domain or simple expropriation has often been accompanied by rural unrestthree key cities in Guangdong's prosperous western Pearl River Delta have escaped this cycle of violence during the past eight-to-fifteen years A combination of reasonably good planning and management as well as adequate local government resources, some social welfare payments and othercompensation to villagers has ensured social stability. In each case, economic growth and the rise in villagers' standards of living has been gradual but positive. Clearly civil unrest need not occur if the villagers believe they have been treated fairly and in a transparent fashion. End Summary and comment.
- 12. (U) The western Pearl River Delta (PRD) in Guangdong Province is not as prosperous as the eastern side, but compared with much of China it is still quite wealthy. Zhongshan, Zhuhai, and Jiangmen are large and growing industrial cities in the western PRD which have absorbed villages and taken over agricultural lands in the process. The only markers of the villages now is a traditional stone gate over a street with the village name on it. The three PRD ities have successfully managed the probuss nf integ2auing(theM vlmag%s wi`outskVml0wnvsvtroUgh tAryilg duermes nQ #gl`a.{`dkon/QQ[xogsHe2#clngjle"- Q}rrecive[w#k%cqM --,=+)=)!,=+%.Q-)---,-)=.+-),QQ:Q.#)'nNgS`~%,`bgHk5,Ve5oZk|`Gsq gQ(Q`OH.Nn!`a`HQ 5w*T{bo@plbgQ p`.}fc_j`Qq ScoBmnaewj|l}V,SD 118 million) in 2004, or 1,160 times the assets in 1978, just prior to the opening of the economy.
- 14. (U) In recent years, Changzhou has invested RMB 3 million (USD 380,000) to build a 10,000-square meter stadium, RMB 120 million (USD 15 million) to build a housing project of 60,000 square meters (645,000 square feet), and RMB 30 million (USD 3.8 million) to build a large entertainment center for its inhabitants; the latter includes a large swimming pool, wave pool, climbing wall, dance studios, and more. The Group has also renovated the villages' 190-year-old Yanzhou Library and the 400-year-old Huang's Ancestral Hall. In 2004, the Group invested RMB 1.85 million (USD 235,000) to upgrade the facilities of the Yanzhou Primary School. The school, a small part of which is housed in a renovated old temple to Confucius, promotes the teachings of Confucius in addition to regular studies. All primary school pupils attend school for free.
- 15. (U) Since 2001, a pension scheme has been in place, benefiting more than 700 retired men and women, who get RMB 400 (USD 50) per month. The Group established a medical insurance system as well. Group members, all villagers, pay an annual fee of RMB 100 (USD 12), and will be reimbursed up to RMB 30,000 (USD 3,800) for medical expenses. Residents in the commercial housing complexes can also use the hospital built by the Group.
- 16. (U) City life brings more crime. In order to improve its public security situation, Changzhou invested RMB 1.5 million (USD 127,000) in 2006 to build a monitoring room with 12 screens which security

guards can use to monitor the villages. The monitors follow activities through 200 cameras installed in public places, withrecordings from each camera kept for seven days before being deleted. Before the cameras were installed in 2005, there was an average of 60 street crimes per year. In 2006, there have been only five

Jiangmen: Baishi Village Enterprises Group - Doing Well

17. (U) Deputy Secretary of the Communist Party Committee Xiao Yongchun explained that as early as 1984, farmers in Baishi Village, which is located in the Pengjiang District of Jiangmen and is home to 4,300 villagers, began to leave farming to take other work as the city grew around them. When taking over the agricultural land, the

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government helped the village establish the Baishi Village Enterprises Group, which now consists of five factories and one real estate company. The Group earned a profit of RMB 90 million (USD 11.4 million) in 2005. One of the factories was founded in 1992, employs more than 300 people, mostly villagers, and makes components for trucks and buses. A commercial apartment project occupying 200 mu (33 acres), being built by the Group's real estate company, was named a "National Green Community" by the State Environment Protection Bureau in May.

- 18. (U) The Gan Guangyi Primary School was originally donated by an overseas Chinese businessman and recently renovated at the cost of RMB 20 million (USD 2.5 million). Headmaster Ma Xinchang proudly provided a tour of the modernized school, which has 900 pupils in 18 classes from Grade 1 to Grade 6. The school has capacity for 1,200 pupils and emphasizes English and computer skills. On the walls of corridors and outside classroom buildings were bilingual slogans in Chinese and English encouraging the pupils to study hard. Each classroom had a large-screen TV and projector. The large computer lab had up-to-date computers for student use. According to Ma, all school teachers are well qualified, licensed, and paid by the government. Since 2002, tuition and other types of fees have been exempted in primary and middle schools.
- 19. (U) The Group pays social benefits to men over 60 years old and women over 55 years old (standard retirement age). Each is entitled to a monthly pension of RMB 700 (USD 88) from the village committee. All villagers are covered by medical insurance, which pays 80% of medical costs. While visiting the home of a villager amidst several blocks of similarly-sized three-storey townhouses, Congen officer was informed by a retiree in her 60's that her house, built in 1999, had cost RMB 400,000 (USD 51,000 in today's dollars), using loans from the Group. Commenting on the major changes in her life since losing her land, she highlighted the improvements: she no longer needed to work in farming, her pension gradually increased from RMB 100 (USD 12) to RMB 700 (USD 88) since retirement, and her (stylishly dressed and urbanized) children received RMB 2,000 (USD 250) in cash awards from the Group when they were admitted to university.

Zhuhai - Beishan Village, Nanping Town - Comfortable

- 110. (U) Beishan Village, situated in Nanping Town of Zhuhai's Xiangzhou District, has a population of 1,700 and an area of 5 square kilometers. Deputy Chief Executive of Nanping Town Wu Nan explained that village agricultural lands were confiscated by the city government in 1988, ending agricultural work in the village. Villagers either work in factories or live on the rents that they earn from leasing their original houses. There are more than 30 relatively low-tech, village-owned enterprises making plastic bags, garments, furniture, or plastic molding, offering employment for the villagers. The managerial positions are filled by the local villagers, while an increasing number of positions on the production lines are filled by migrant workers coming from other provinces. These enterprises last year generated net profits of RMB 7.4 million (USD 937,000) for the villagers.
- 111. (U) In 2000, villagers started a RMB 50 million (USD 6.3 million) housing project with 520 apartments to replace their old housing. Each apartment is larger than 100 square meters (more than 1,000 square feet) and the last phase of the project is now being completed. Wu said that the old residential area would be torn down to make way for new enterprises. Wu emphasized that there is now no distinction between villages such as Beishan and the rest of the

city. Beishan's old ancestral temple has not been renovated and temple is used as a school, which also teaches Confucianism. A second temple, a short walk away, has been rented to an artists' colony, but has not yet been renovated.

12. (U) Senior citizens currently receive a pension of RMB 200 (USD 25) per month and limited health benefits. The village, still somewhat on the fringes of town but in the path of future city growth, is planning to develop its tourist industry as the next step in its development. While less developed than the two village groups in Zhongshan and Jiangmen, Beishan residents remain optimistic about the future.

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